

# Mainstone Veterinary Clinic Limited

Annual Report and Financial Statements  
for the Period from 12 July 2018 to 30 September 2018

Hazlewoods LLP  
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GL50 3AT

**Mainstone Veterinary Clinic Limited**

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## **Mainstone Veterinary Clinic Limited**

### **Company Information**

<b>Directors</b>	A J Davis D R G Hillier
<b>Registered office</b>	The Chocolate Factory Keynsham Bristol BS31 2AU
<b>Bankers</b>	HSBC Bank PLC Second Floor HSBC Building Mitchell Way Southampton SO18 2XU
<b>Auditors</b>	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

**Mainstone Veterinary Clinic Limited****(Registration number: 05418711)****Balance Sheet as at 30 September 2018**

	<b>Note</b>	<b>30 September 2018 £</b>	<b>Unaudited 11 July 2018 £</b>
<b>Fixed assets</b>			
Intangible assets	<u>4</u>	152,339	156,055
Tangible assets	<u>5</u>	<u>18,640</u>	<u>41,359</u>
		<u>170,979</u>	<u>197,414</u>
<b>Current assets</b>			
Stocks	<u>6</u>	13,797	7,910
Debtors: Amounts falling due within one year	<u>7</u>	41,565	23,702
Debtors: Amounts falling due after more than one year	<u>7</u>	121,396	-
Cash at bank and in hand		<u>25,545</u>	<u>46,122</u>
		202,303	77,734
Creditors: Amounts falling due within one year	<u>8</u>	<u>(261,639)</u>	<u>(180,967)</u>
Net current liabilities		<u>(59,336)</u>	<u>(103,233)</u>
Total assets less current liabilities		111,643	94,181
Creditors: Amounts falling due after more than one year	<u>8</u>	(6,985)	(5,964)
Deferred tax liabilities		<u>(2,533)</u>	<u>(6,363)</u>
Net assets		<u>102,125</u>	<u>81,854</u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		<u>102,025</u>	<u>81,754</u>
Total equity		<u>102,125</u>	<u>81,854</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 29 January 2019 and signed on its behalf by:

A J Davis  
Director

The notes on pages 3 to 9 form an integral part of these financial statements.

## **Mainstone Veterinary Clinic Limited**

### **Notes to the Financial Statements for the Period from 12 July 2018 to 30 September 2018**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:  
The Chocolate Factory  
Keynsham  
Bristol  
BS31 2AU

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

##### **Name of parent of group**

These financial statements are consolidated in the financial statements of IVC Acquisition Midco Limited.

The financial statements of IVC Acquisition Midco Limited may be obtained from Companies House.

##### **Disclosure of long or short period**

The financial statements cover a period of 81 days. The accounting period has been shortened to bring the year end in line with that of its parent undertaking, Independent Vetcare Limited.

##### **Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

##### **Judgements and estimation uncertainty**

These financial statements do not contain any significant judgements or estimation uncertainty.

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

## **Mainstone Veterinary Clinic Limited**

### **Notes to the Financial Statements for the Period from 12 July 2018 to 30 September 2018**

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Fixtures and surgery equipment	Straight line over 5 years
Short leasehold improvements	Over the term of the lease

#### **Intangible assets**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	Straight line over 5 years

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

## **Mainstone Veterinary Clinic Limited**

### **Notes to the Financial Statements for the Period from 12 July 2018 to 30 September 2018**

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

**Financial instruments**

***Classification***

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

***Impairment***

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.



# Mainstone Veterinary Clinic Limited

## Notes to the Financial Statements for the Period from 12 July 2018 to 30 September 2018

### 3 Staff numbers

The average number of persons employed by the company (including directors) during the period, was as follows:

	12 July 2018 to 30 September 2018 No.	Unaudited 1 May 2018 to 11 July 2018 No.
Average number of employees	18	17

### 4 Intangible assets

	Goodwill £
<b>Cost</b>	
At 12 July 2018 and at 30 September 2018	400,000
<b>Amortisation</b>	
At 12 July 2018	243,945
Amortisation charge	3,716
At 30 September 2018	247,661
<b>Carrying amount</b>	
At 30 September 2018	152,339
At 11 July 2018	156,055

### 5 Tangible assets

	Short leasehold improvements £	Fixtures and surgery equipment £	Total £
<b>Cost</b>			
At 12 July 2018	6,571	124,328	130,899
Additions	-	515	515
At 30 September 2018	6,571	124,843	131,414
<b>Depreciation</b>			
At 12 July 2018	5,973	83,567	89,540
Charge for the period	598	22,636	23,234
At 30 September 2018	6,571	106,203	112,774
<b>Carrying amount</b>			
At 30 September 2018	-	18,640	18,640
At 11 July 2018	598	40,761	41,359

# Mainstone Veterinary Clinic Limited

## Notes to the Financial Statements for the Period from 12 July 2018 to 30 September 2018

### 6 Stocks

	30 September 2018 £	Unaudited 11 July 2018 £
Finished goods and consumables	13,797	7,910

### 7 Debtors

	30 September 2018 £	Unaudited 11 July 2018 £
Trade debtors	16,477	5,160
Other debtors	17,157	7,322
Prepayments	7,931	11,220
Amounts owed by group undertakings	121,396	-
	162,961	23,702
Less non-current portion	(121,396)	-
Total current trade and other debtors	41,565	23,702

### Details of non-current trade and other debtors

£121,396 (2018 - £Nil) of amounts owed by group undertakings is classified as non-current.

### 8 Creditors

	Note	30 September 2018 £	Unaudited 11 July 2018 £
<b>Due within one year</b>			
Loans and borrowings	9	2,798	74,482
Trade creditors		43,604	34,372
Social security and other taxes		35,605	29,992
Outstanding defined contribution pension costs		2,836	-
Other creditors		137,376	825
Accrued expenses		13,299	15,175
Corporation tax liability		26,121	26,121
		261,639	180,967
<b>Due after one year</b>			
Loans and borrowings	9	5,566	5,964
Amounts owed to group undertakings		1,419	-
		6,985	5,964

## Mainstone Veterinary Clinic Limited

### Notes to the Financial Statements for the Period from 12 July 2018 to 30 September 2018

#### 9 Loans and borrowings

	2018 £	2018 £
<b>Current loans and borrowings</b>		
Bank borrowings	-	4,467
Bank overdrafts	-	66,392
Finance lease liabilities	2,798	3,623
	<u>2,798</u>	<u>74,482</u>
	2018 £	2018 £
<b>Non-current loans and borrowings</b>		
Finance lease liabilities	5,566	5,964

#### 10 Financial commitments, guarantees and contingencies

##### Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £529,890 (2018 - £Nil).

#### 11 Parent and ultimate parent undertaking

The company's immediate parent is Independent Vetcare Limited, incorporated in England and Wales. The ultimate parent is Browne Holding SARL, incorporated in Luxembourg.

#### 12 Disclosure under Section 444(5B) CA 2006 relating to the independent auditor's report

The Independent Auditor's Report was unqualified. The corresponding figures for the period from 1 May 2018 to 11 July 2018 shown in the financial statements are derived from the financial statements prepared for that period that were not audited. The name of the Senior Statutory Auditor who signed the audit report on 30 January 2019 was Andrew Brookes, who signed for and on behalf of Hazlewoods LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.